

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

AUG 23 2010

PUBLIC SERVICE  
COMMISSION

In the Matter of: )  
)  
COLUMBIA GAS OF KENTUCKY, )  
INC. )  
)  
COMPLAINANT )  
)  
v. )  
)  
NATURAL ENERGY UTILITY COR- )  
PORATION )  
)  
DEFENDANT )

Case No. 2009-00340

---

---

**REPLY COMMENTS OF**  
**COLUMBIA GAS OF KENTUCKY, INC.**

---

---

Now comes Columbia Gas of Kentucky, Inc. (“Columbia”) and submits its Reply Comments to the initial Comments of Natural Energy Utility Corporation (“NEUC”) filed August 13, 2010. In its comments, NEUC mischaracterizes the controversy as a customer dispute between utility and customer. Contrary to NEUC’s multiple assertions, the controversy is solely focused upon a utility, NEUC, improperly duplicating lines in an area already served by Columbia. Therefore, though a hearing remains unnecessary in this proceeding, Columbia must respond to NEUC’s interpretation of evidence in the record.

This complaint case is solely a dispute between Columbia and NEUC, not Columbia and its customers. NEUC asserts it is “merely caught in the middle of a dispute among Columbia and

its customers,” and is not the “perpetrator in this action.”<sup>1</sup> NEUC believes, “For reasons that remain unclear” that “Columbia chose to attack NEUC on an unrelated pipeline repair issue.”<sup>2</sup>

Contrary to NEUC disregarding the pipeline issue as “unrelated,” Columbia has consistently defined this case as one solely focused on the pipeline issues. In its Complaint, Columbia clearly articulated its complaint against NEUC by stating, “NEUC’s construction of a main to serve customers currently served by Columbia does conflict with Columbia’s existing service in Ashland, and results in wasteful duplication of plant.”<sup>3</sup> Columbia framed its data requests and pleadings based upon its allegation of NEUC violating Ky. Rev. Stat. § 278.020 by installing a wasteful duplication of plant in the Ashland area. Columbia has never asserted that this is a dispute between customers, but instead as one between Columbia and NEUC.

Columbia received no complaints from its customers on ZTB Enterprises’ property before this action was filed against NEUC.<sup>4</sup> For NEUC to frame this proceeding as a customer dispute is not supported by the record. Therefore, the Commission should disregard NEUC’s attempts to edit Columbia’s complaint to remove itself from accountability.

Further, Columbia’s allegations regarding the replacement of the pipeline, as detailed in its comments, are accurate and supported by the record. NEUC claims Columbia’s “assumption” as to its pipeline replacement to extend service to Columbia’s current customers was incorrect.<sup>5</sup> However, NEUC glosses over the timeline of its pipeline relocation and replacement coinciding with installing service lines and attempting to initiate service with Columbia customers. The re-

---

<sup>1</sup> *In the Matter of Columbia Gas of Kentucky, Inc. v. Natural Energy Utility Corporation*, PSC Case No. 2009-00340, Comments of Natural Energy Utility Corporation (August 13, 2010) at 8.

<sup>2</sup> *Id.*, Comments of Natural Energy Utility Corporation (August 13, 2010) at 2.

<sup>3</sup> *Id.*, Complaint of Columbia Gas of Kentucky, Inc. (August 21, 2009) at ¶ (i).

<sup>4</sup> *Id.*, Columbia Gas of Kentucky, Inc. Response to First Data Request of Commission Staff (March 29, 2010) at Data Request 005.

<sup>5</sup> *Id.*, Comments of Natural Energy Utility Corporation (August 13, 2010) at 3.

cord is undisputed that NEUC requested a third party to survey its pipeline in May 2009.<sup>6</sup> The pipeline was relocated and replaced, along with service lines installed, on August 5, 2009.<sup>7</sup> The record also shows that the NEUC intended to begin service to existing customers on August 18, 2009.<sup>8</sup> The maps provided by NEUC also show the pipeline was moved closer to Columbia's customers on the property.<sup>9</sup> Therefore, based upon the weight of evidence, NEUC intended to relocate and replace its pipeline closer to Columbia's existing customers in an attempt to duplicate service and plant in violation of Kentucky law.

WHEREFORE, Columbia respectfully requests, for the reasons stated in its complaint, Comments, and herein, that the Commission issue an order prohibiting NEUC from serving any customers currently served by Columbia on the ZTB property unless and until it receives a Certificate of Public Convenience and Necessity.

---

<sup>6</sup> *Id.*, Motion to Dismiss of Natural Energy Utility Corporation (September 8, 2009) at 3.

<sup>7</sup> *Id.*, Testimony of H. Jay Freeman (February 22, 2010) at 5, lines 4-13.

<sup>8</sup> *Id.*, Testimony of H. Jay Freeman (February 22, 2010) at 4, line 11.

<sup>9</sup> *Cf. Id.*, Motion to Dismiss of Natural Energy Utility Corporation (September 8, 2009) at Exhibit 1; *Id.*, Natural Energy Utility Corporation's Response to Columbia's Second Data Request (April 26, 2010) at Data Request 006.

Dated this 23rd of August 2010.

Respectfully submitted,

By: Brooke E. Leslie (gmc)  
Brooke E. Leslie, Trial Counsel

Stephen B. Seiple, Assistant General Counsel  
Brooke E. Leslie, Counsel  
200 Civic Center Drive  
P.O. Box 117  
Columbus, Ohio 43216-0117  
Telephone: (614) 460-4648  
Facsimile: (614) 460-6986  
E-mail: sseiple@nisource.com  
bleslie@nisource.com

Richard S. Taylor  
225 Capital Avenue  
Frankfort, Kentucky 40601  
Telephone: (502) 223-8967  
Facsimile: (502) 226-6383  
E-mail: attysmitty@aol.com

Attorneys for  
**COLUMBIA GAS OF KENTUCKY, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Reply Comments of Columbia Gas of Kentucky, Inc. was served upon all parties of record by regular U. S. mail this 23rd day of August, 2010.

*Brooke E. Leslie (gmc)*

---

Brooke E. Leslie  
Attorney for  
**COLUMBIA GAS OF KENTUCKY INC.**

**SERVICE LIST**

Hon. John N. Hughes  
124 West Todd Street  
Frankfort, KY 40601

Hon. Richard S. Taylor  
225 Capital Avenue  
Frankfort, KY 40601